

**NOTICE OF INTENT TO ADOPT A PROPOSED RULE AMENDMENT TO THE
STATE LICENSING BOARD FOR RESIDENTIAL AND GENERAL CONTRACTORS,
BOARD RULE CHAPTER 553-4, QUALIFICATIONS FOR LICENSURE – GENERAL
CONTRACTOR DIVISION, RULE 553-4-.02 LICENSURE REQUIREMENTS FOR AN
INDIVIDUAL ACTING AS A QUALIFYING AGENT FOR A BUSINESS
ORGANIZATION SEEKING TO ENGAGE IN THE PROFESSION OF GENERAL
CONTRACTING IN THE NAME OF THE BUSINESS ORGANIZATION.**

TO ALL INTERESTED PERSONS AND PARTIES:

Notice is hereby given that pursuant to the authority set forth below, the State Licensing Board for Residential and General Contractors, (hereinafter “Board”) proposes an amendment to the State Licensing Board for Residential and General Contractors Board Rule Chapter 553-4; Rule 553-4-.02 (herein after “proposed rule amendment”).

This notice, together with an exact copy of the proposed rule amendment and a synopsis of the proposed rule amendment, is being disseminated to all persons who have requested, in writing, they be placed on a distribution list. A copy of this notice, an exact copy of the proposed rule amendment, and synopsis of the proposed rule amendment may be reviewed during normal business hours of 8:00 A.M. to 5:00 P.M., Monday through Friday, except official State holidays, at the Office of the Secretary of State, Professional Licensing Boards Division, 237 Coliseum Drive, Macon, Georgia 31217. These documents will also be available for review on the following Board website <http://sos.ga.gov/index.php/licensing/plb/46>. Copies may also be requested by contacting the Board office at (478) 207-2440.

A public hearing will be held at **9:00 a.m. on Wednesday, January 30, 2019** at the Office of the Secretary of State, Professional Licensing Boards Division, 237 Coliseum Drive in Macon, Georgia 31217 to provide the public an opportunity to comment upon and provide input into the proposed rule amendment.

At the public hearing anyone may present data, make a statement, comment or offer a viewpoint or argument whether orally or in writing. Lengthy statements or statements of a considerable technical or economic nature, as well as previously recorded messages, must be submitted for official record. Oral statements should be concise and will be limited to five (5) minutes per person. Written comments are welcomed. Such written comments must be legible and signed, should contain contact information from the maker (address, telephone number and/or facsimile number, etc.) and be actually received in the office prior to the close of business (5:00 P.M. EST) on **Wednesday, January 23, 2019**. Written comments should be addressed to Darren Mickler, Acting Division Director, Office of the Secretary of State, Professional Licensing Boards Division-, State Licensing Board for Residential and General Contractors, 237 Coliseum Drive, Macon, Georgia 31217; Fax (478) 207-1458.

The proposed rule amendment will be considered for adoption by the State Licensing Board for Residential and General Contractors at its meeting scheduled to begin at **9:00 a.m. on Wednesday, January 30, 2019** at the Office of the Secretary of State, Professional Licensing Boards Division, 237 Coliseum Drive in Macon, Georgia 31217. According to the Department of Law, State of Georgia, the State Licensing Board for Residential and General Contractors has the authority to adopt the proposed amendment to Rule 553-4-.02 pursuant to authority contained in O.C.G.A. §§43-41-5(a)(7), 43-41-6(a), (d), (e), and 43-41-9.

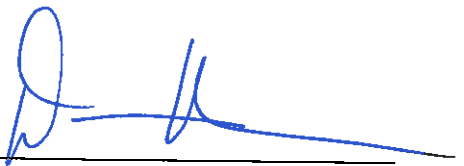
The Board will consider at its meeting on Wednesday, January 30, 2019 whether the formulation and adoption of this rule amendment imposes excessive regulatory cost on any licensee or entity and whether any cost to comply with the proposed rule amendment could be reduced by a less expensive alternative that fully accomplishes the objectives of O.C.G.A. §§43-41-5(a)(7), 43-41-6(a), (d), (e), and 43-41-9.

Additionally, at the meeting on January 30, 2019, the Board will consider whether it is legal or feasible to meet the objectives of O.C.G.A. § §§43-41-5(a)(7), 43-41-6(a), (d), (e), and 43-41-9 to adopt or implement differing actions for businesses as listed in O.C.G.A. § 50-13-4(a)(3)(A), (B), (C) and (D). The formulation and adoption of this proposed rule amendment will impact every licensee in the same manner and each licensee is independently licensed, owned and operated in the field of residential or general contracting.

For further information, contact the Board office at (478) 207-2440.

This notice is given in compliance with Section 4(a)(1) of the Georgia Administrative Procedures Act O.C.G.A. § 50-13-4.

This 27 day of December, 2018.



Darren Mickler
Acting Division Director
Professional Licensing Boards

Posted: 12/27/18

**SYNOPSIS OF PROPOSED AMENDMENT TO THE STATE LICENSING BOARD FOR
RESIDENTIAL AND GENERAL CONTRACTORS, BOARD RULE CHAPTER 553-4,
QUALIFICATIONS FOR LICENSURE – GENERAL CONTRACTOR DIVISION,
RULE 553-4-.02 LICENSURE REQUIREMENTS FOR AN INDIVIDUAL ACTING AS A
QUALIFYING AGENT FOR A BUSINESS ORGANIZATION SEEKING TO ENGAGE IN
THE PROFESSION OF GENERAL CONTRACTING IN THE NAME OF THE BUSINESS
ORGANIZATION**

Purpose: The purpose of this rule amendment is to eliminate the current requirements for an applicant to submit a line of credit and letter from a certified public accountant in order to prove the minimum net worth and financial responsibility of the business organization. The rule amendment should simplify the process for an applicant to establish the necessary financial standing.

Main Features: The rule amendment eliminates the current requirements for a general contractor qualifying agent applicant to submit a line of credit and a letter form from a certified public accountant in order to prove the business organizations net worth and financial responsibility. The rule will be amended to have the applicant acting as a qualifying agent for a business organization seeking to engage in general contracting affirm that the business organization possesses a minimum net worth in the amount of \$150,000.

**DIFFERENCES BETWEEN THE EXISTING RULE AND THE PROPOSED AMENDMENT TO THE STATE
LICENSING BOARD FOR RESIDENTIAL AND GENERAL CONTRACTORS, BOARD RULE CHAPTER
553-4, QUALIFICATIONS FOR LICENSURE – GENERAL CONTRACTOR DIVISION, RULE 553-4-.02
LICENSURE REQUIREMENTS FOR AN INDIVIDUAL ACTING AS A QUALIFYING AGENT FOR A
BUSINESS ORGANIZATION SEEKING TO ENGAGE IN THE PROFESSION OF GENERAL
CONTRACTING IN THE NAME OF THE BUSINESS ORGANIZATION**

[Note: underlined text is proposed to be added; lined-through text is proposed to be deleted.]

Rule 553-4-.02 Licensure Requirements for an Individual Acting as a Qualifying Agent for a Business Organization Seeking to Engage in the Profession of General Contracting in the Name of the Business Organization.

(1) An individual person affiliated by ownership or employment with and acting as a qualifying agent for a business organization seeking to engage in the profession of general contracting in the name of the business organization in accordance with and pursuant to Code Section 43-41-9 shall file an application on a form provided by the general contractor division, accompanied by an application fee as provided by the board.

(2) Additionally, such applicants must submit to and successfully pass an examination approved by the general contractor division, except where an applicant is otherwise qualified for licensure and has satisfied the general contractor division requirements and regulations for licensure pursuant to Code Section 43-41-8 exempting such applicant from the examination requirement or where the applicant is an individual acting as a qualifying agent for a business organization and has previously obtained and maintained continuously a license issued by the general contractor division.

(3) A person shall be eligible for licensure as a general contractor by the general contractor division if the person:

(a) Is at least 21 years of age;

(b) Is of a good character and is otherwise qualified as to competency, ability, and integrity and financial responsibility; and

(c) Meets eligibility requirements according to one of the following criteria:

1. Has received a baccalaureate degree from an accredited four-year college or university in the field of engineering, architecture, construction management, building construction, or other field acceptable to the division and has at least one year of proven experience working as or in the employment of a general contractor or other proven experience deemed substantially similar by the division;

2. Has a combination acceptable to the division of academic credits from any accredited college-level courses and proven practical experience working as or in the employment of a general contractor, or other proven experience deemed substantially similar by the division equaling at least four years in the aggregate. For purposes of this subparagraph, all university, college, junior college, or community college-level courses shall be considered accredited college-level courses; or

3. Has a total of at least four years of proven active experience working in a construction industry related field, at least two of which shall have been as or in the employment of a general contractor, or other proven experience deemed acceptable by the division and at least one of which shall have been in or relating to administration, marketing, accounting, estimating, drafting, engineering, supervision, or project management, or functions deemed substantially similar by the division.

(d) In order to satisfactorily prove (a), (b) and (c) above, each applicant must swear on the application for licensure that the applicant satisfies each requirement and submit satisfactory proof of such when and where directed to do so by the application. Applicants acting as a qualifying agent for a business organization seeking to engage in general contracting, shall ~~provide satisfactory proof~~ affirm that the business organization possesses a minimum net worth in an amount of \$150,000. ~~To satisfactorily show "financial responsibility" as mentioned in (3)(b) above, and minimum net worth, applicants shall provide a line of credit form in an amount of not less than \$50,000. For additional proof of net worth and "financial responsibility", applicants must provide, together with and as directed by the application for licensure, an appropriate reference letter from a certified public accountant (CPA) wherein the CPA performs an audit, review, or compilation of the applicant's financial information. This reference letter will be on a form included with the application for licensure and must be notarized upon submission to the division.~~ Additionally, in completing the application and submitting it to the general contractor

division, the applicant consents to the division performing a background check, including a criminal history, on the applicant if the division so chooses.

~~(e) The line of credit requirement as detailed in (3)(d) above shall be suspended from the effective date of this amended rule until July 1, 2012.~~

(4) Before being entitled to take an examination or otherwise qualify for issuance of a license, an applicant must show to the satisfaction of the general contractor division from the application and proofs furnished that the applicant is possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility. Much proof of this will come as detailed in (3)(d) above. Additionally, the application shall include a list of all persons, entities, and business organizations that the applicant will be affiliated with as a licensed general contractor, whether by way of employment, ownership, serving as an owner or director, partnership, or membership or by serving as a qualifying agent under this chapter. Additionally, all applicants shall provide satisfactory proof of general liability insurance in an amount not less than \$500,000 and of workers' compensation insurance as required by the laws of this state in their name. All applicants shall also provide the federal taxpayer identification numbers of any business organization for which the applicant is seeking licensure as a qualifying agent. Applicants shall also provide suitable verification of tax payments by the business organization in a form and manner and for the duration prescribed by the general contractor division. Such proof of verification shall be submitted by the applicant as directed by the application for licensure and any form(s) that might accompany the application. The decision of the general contractor division as to the qualifications of applicants shall be conclusive. A certificate by the insurer or other appropriate evidence of such coverages shall be maintained with the general contractor division and shall be a condition of renewal. A licensee, where acting as a qualifying agent on behalf of the business organization so qualified, must notify the general contractor division in writing within 30 days of any changes in the information required to be on file with such division, including, but not limited to, the business organization's current mailing address, insurance coverages, and affiliated entities.

(5) (a) The general contractor division shall cause to be conducted an examination of all qualified applicants, except those exempted from the examination requirement pursuant to Code Section 43-41-8.

(b) The general contractor division shall cause to be conducted an examination to ascertain the particular applicant's ability to make a practical application of his or her knowledge of the profession of commercial general contracting; the applicant's qualifications in reading plans and specifications; his or her knowledge of building codes, estimating costs, construction, ethics, contracting, and other similar matters pertaining to the general contracting business; his or her knowledge as to the responsibilities of a general contractor to the public and to owners, subcontractors, and suppliers; and his or her knowledge of the requirements of the laws of this state relating to general contractors, construction, workers' compensation, insurance, surety bonding, and liens.

(c) If the results of the applicant's examination are satisfactory to the general contractor division, or he or she is exempted from the examination requirement under Code Section 43-41-8, and if he or she and any affiliated business organization has met the other qualifications and requirements set forth in this Code section, then the general contractor division shall issue to the applicant a license to engage in business as a general contractor in this state, as provided in such

license, in his or her own name as a qualifying agent for the affiliated business organization and in the name of such business organization, pursuant to and in accordance with the requirements set forth in Code Section 43-41-9.

(6) Any otherwise qualified applicant failing this examination may be reexamined at any regularly scheduled examination within one year of the date of original application upon payment of a reexamination fee, in an amount to be set by the board, without need to resubmit an application, unless any information set forth in the previously submitted application is no longer accurate or complete. Anyone requesting to take the examination a third or subsequent time shall wait at least one calendar year after the taking of the last examination and shall submit an application with the appropriate examination fees.

(7) A general contractor license shall be issued to an applicant who successfully completes the requirements therefore upon the payment of fees prescribed by the board.

Authority: O.C.G.A. §§43-41-5(a)(7), 43-41-6(a), (d), (e), and 43-41-9.

Rule 553-4-.02 Licensure Requirements for an Individual Acting as a Qualifying Agent for a Business Organization Seeking to Engage in the Profession of General Contracting in the Name of the Business Organization.

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(2) Additionally, such applicants must submit to and successfully pass an examination approved by the general contractor division, except where an applicant is otherwise qualified for licensure and has satisfied the general contractor division requirements and regulations for licensure pursuant to Code Section 43-41-8 exempting such applicant from the examination requirement or where the applicant is an individual acting as a qualifying agent for a business organization and has previously obtained and maintained continuously a license issued by the general contractor division.

(3) A person shall be eligible for licensure as a general contractor by the general contractor division if the person:

(a) Is at least 21 years of age;

(b) Is of a good character and is otherwise qualified as to competency, ability, and integrity and financial responsibility; and

(c) Meets eligibility requirements according to one of the following criteria:

1. Has received a baccalaureate degree from an accredited four-year college or university in the field of engineering, architecture, construction management, building construction, or other field acceptable to the division and has at least one year of proven experience working as or in the employment of a general contractor or other proven experience deemed substantially similar by the division;

2. Has a combination acceptable to the division of academic credits from any accredited college-level courses and proven practical experience working as or in the employment of a general contractor, or other proven experience deemed substantially similar by the division equaling at least four years in the aggregate. For purposes of this subparagraph, all university, college, junior college, or community college-level courses shall be considered accredited college-level courses; or

3. Has a total of at least four years of proven active experience working in a construction industry related field, at least two of which shall have been as or in the employment of a general contractor, or other proven experience deemed acceptable by the division and at least one of which shall have been in or relating to administration, marketing, accounting, estimating, drafting, engineering, supervision, or project management, or functions deemed substantially similar by the division.

(d) In order to satisfactorily prove (a), (b) and (c) above, each applicant must swear on the application for licensure that the applicant satisfies each requirement and submit satisfactory proof of such when and where directed to do so by the application. Applicants acting as a qualifying agent for a business organization seeking to engage in general contracting, shall affirm that the business organization possesses a minimum net worth in an amount of \$150,000.

Additionally, in completing the application and submitting it to the general contractor division, the applicant consents to the division performing a background check, including a criminal history, on the applicant if the division so chooses.

(4) Before being entitled to take an examination or otherwise qualify for issuance of a license, an applicant must show to the satisfaction of the general contractor division from the application and proofs furnished that the applicant is possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility. Much proof of this will come as detailed in (3)(d) above. Additionally, the application shall include a list of all persons, entities, and business organizations that the applicant will be affiliated with as a licensed general contractor, whether by way of employment, ownership, serving as an owner or director, partnership, or membership or by serving as a qualifying agent under this chapter. Additionally, all applicants shall provide satisfactory proof of general liability insurance in an amount not less than \$500,000 and of workers' compensation insurance as required by the laws of this state in their name. All applicants shall also provide the federal taxpayer identification numbers of any business organization for which the applicant is seeking licensure as a qualifying agent. Applicants shall also provide suitable verification of tax payments by the business organization in a form and manner and for the duration prescribed by the general contractor division. Such proof of verification shall be submitted by the applicant as directed by the application for licensure and any form(s) that might accompany the application. The decision of the general contractor division as to the qualifications of applicants shall be conclusive. A certificate by the insurer or other appropriate evidence of such coverages shall be maintained with the general contractor division and shall be a condition of renewal. A licensee, where acting as a qualifying agent on behalf of the business organization so qualified, must notify the general contractor division in writing within 30 days of any changes in the information required to be on file with such division, including, but not limited to, the business organization's current mailing address, insurance coverages, and affiliated entities.

(5) (a) The general contractor division shall cause to be conducted an examination of all qualified applicants, except those exempted from the examination requirement pursuant to Code Section 43-41-8.

(b) The general contractor division shall cause to be conducted an examination to ascertain the particular applicant's ability to make a practical application of his or her knowledge of the profession of commercial general contracting; the applicant's qualifications in reading plans and specifications; his or her knowledge of building codes, estimating costs, construction, ethics, contracting, and other similar matters pertaining to the general contracting business; his or her knowledge as to the responsibilities of a general contractor to the public and to owners, subcontractors, and suppliers; and his or her knowledge of the requirements of the laws of this state relating to general contractors, construction, workers' compensation, insurance, surety bonding, and liens.

(c) If the results of the applicant's examination are satisfactory to the general contractor division, or he or she is exempted from the examination requirement under Code Section 43-41-8, and if he or she and any affiliated business organization has met the other qualifications and requirements set forth in this Code section, then the general contractor division shall issue to the applicant a license to engage in business as a general contractor in this state, as provided in such license, in his or her own name as a qualifying agent for the affiliated business organization and

in the name of such business organization, pursuant to and in accordance with the requirements set forth in Code Section 43-41-9.

(6) Any otherwise qualified applicant failing this examination may be reexamined at any regularly scheduled examination within one year of the date of original application upon payment of a reexamination fee, in an amount to be set by the board, without need to resubmit an application, unless any information set forth in the previously submitted application is no longer accurate or complete. Anyone requesting to take the examination a third or subsequent time shall wait at least one calendar year after the taking of the last examination and shall submit an application with the appropriate examination fees.

(7) A general contractor license shall be issued to an applicant who successfully completes the requirements therefore upon the payment of fees prescribed by the board.

Authority: O.C.G.A. §§43-41-5(a)(7), 43-41-6(a), (d), (e), and 43-41-9.